October 20, 2003

Attn: TTB Notice No. 4
Chief Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, D.C. 20091-0021

Dear Sir or Madam:

As the owner of a retail business that sells beverage alcohol, I support the proposal rule recently issued in March 2003 by the Tax and Trade Bureau that outlines the necessary alcohol content requirements in order for Flavored Malt Beverages (FMB) to be classified as beer. The proposed standard would require that in order for an FMB to be classified as a beer, its alcohol content derived from distilled alcohol can not exceed 0.5%.

Beer is a unique type of alcohol that has been regulated and taxed differently than other alcohol beverages throughout our nations history. The distinction that beer enjoys from other alcohol products is based on age-old production process. Its definition in the Internal Revenue Code dates back to the 1800's when the beer exercise tax was first imposed by congress. The proposed rule proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages.

Such policy consistency is important because while states enjoy regulatory power over alcohol, most follow federal regulatory guidelines. This proposed rule would help maintain an orderly marketplace, thus avoiding costly and confusing disruptions in state licensing, taxation and distribution policies. Any of which would deal a severe blow to beer wholesalers.

Moreover, equating beer and beverages deriving a majority of their alcohol content from distilled spirits could weaken the important distinctions between beer and products with higher alcohol content. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages. If these distinctions disappear, it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products.

Ruby's Lounge
518 Moon Ave
Rockdale, IL 60436